



AMERICAN STORES COMPANY

Philadelphia

FINANCIAL STATEMENTS

January 1 to April 2, 1949

(Period of transition from Calendar Year to Fiscal Year)

The Company has adopted a fiscal year ending on the Saturday nearest March 31. The statements included herein record the results for the short period between the calendar year 1948, covered by the last annual report, and April 2, 1949. A condensed midyear report will be issued for the six months ending October 1, 1949. The next annual stockholders' meeting will be held June 21, 1950.

AMERICAN STORES COMPANY

CONSOLIDATED BALANCE SHEET

As of April 2, 1949

ASSETS

CURRENT ASSETS

Cash.....	\$14,050,966
Accounts Receivable.....	1,581,402
Inventories — at lower of cost or market.....	38,675,960
TOTAL CURRENT ASSETS.....	54,308,328

Mortgages, etc.....	202,932
---------------------	---------

FIXED ASSETS

Land, Buildings, Machinery, Equipment, Fixtures, etc.—	
at cost.....	\$34,283,070
Less: Reserve for Depreciation.....	12,393,102
	<u>21,889,968</u>
Unamortized Cost of Leasehold Improvements.....	858,468
Goodwill.....	1

DEFERRED CHARGES

Prepaid Insurance, Taxes, etc.....	1,326,371
	<u>\$78,586,068</u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Accounts Payable and Accrued Charges.....	\$10,874,547
Accrued Federal and State Taxes.....	5,060,212
TOTAL CURRENT LIABILITIES.....	15,934,759

Purchase Obligations.....	114,586
Notes Payable, due 1952-67.....	15,000,000

RESERVES

Possible Inventory Price Declines.....	\$ 1,500,000
Employees' Retirement Income Benefits.....	1,572,355
Contingencies.....	825,207
	<u>3,897,562</u>

CAPITAL STOCK AND SURPLUS

Common Stock — no par value	
Authorized — 1,500,000 shares	
Issued and Outstanding — 1,301,820 shares.....	18,008,555
Earned Surplus.....	25,630,606
	<u>43,639,161</u>
	<u>\$78,586,068</u>

NOTES PAYABLE, DUE 1952-67 — Interest on \$7,500,000 is at the rate of $2\frac{7}{8}\%$ per annum and on the remaining \$7,500,000 at 3% per annum. The notes are due August 1, 1967, subject to repayment beginning August 1, 1952 at the rate of $4\frac{1}{4}\%$ annually of the principal sum borrowed. The notes contain restrictions as to the payment of cash dividends on common stock and the reacquisition and retirement of shares of stock of the Company. As of April 2, 1949 consolidated earned surplus to the extent of \$9,063,908 was free of the said restrictions.

NY AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED INCOME AND SURPLUS

For the Period from January 1 to April 2, 1949

INCOME ACCOUNT

Sales — Retail Stores.....		\$108,812,559
Sales — Others.....		2,068,200
		<u>105,880,759</u>
COST OF SALES AND OPERATING EXPENSES		
Cost of Merchandise Sold, including Warehousing and Transportation Expenses.....	\$89,414,703	
Wages, Rents, Advertising, Operating and Administrative Expenses.....	13,267,142	
Depreciation.....	548,463	
		<u>103,230,308</u>
PROFIT FROM OPERATIONS.....		2,650,451
Interest on Loans, etc.....	110,452	
Less: Miscellaneous Income.....	1,282	
		<u>109,170</u>
PROFIT BEFORE INCOME TAXES.....		2,541,281
Federal and State Income Taxes.....		1,055,000
NET INCOME.....		<u>\$ 1,486,281</u>

EARNED SURPLUS

Balance at December 31, 1948.....	\$ 24,599,787
Net Income for the period from January 1 to April 2, 1949.....	1,486,281
	<u>26,086,068</u>
Dividend — \$.35 per share.....	455,462
BALANCE AT APRIL 2, 1949.....	<u>\$ 25,630,606</u>

*To the Board of Directors of
American Stores Company:*

We have examined the consolidated balance sheet of American Stores Company and its subsidiary companies as of April 2, 1949 and the related statement of consolidated income and surplus for the period from January 1 to April 2, 1949. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of consolidated income and surplus present fairly the consolidated financial position of American Stores Company and its subsidiary companies at April 2, 1949 and the results of their operations for the period from January 1 to April 2, 1949, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Philadelphia, Pa.
May 25, 1949

BARROW, WADE, GUTHRIE & CO.
Auditors

Officers

<i>President</i>	WILLIAM PARK
<i>Vice President and General Manager</i>	FRED J. HEANEY
<i>Vice President</i>	FRED W. JOHNSON
<i>Vice President</i>	WM. H. EDEN
<i>Secretary</i>	E. A. COLSON
<i>Treasurer</i>	JOHN R. PARK
<i>Assistant Treasurer</i>	S. C. ARCHER
<i>Assistant Secretary</i>	J. V. KEERS
<i>Assistant Secretary</i>	A. J. FAULHABER

•

Directors

SAMUEL ROBINSON	WILLIAM PARK
E. J. FLANIGAN	WM. M. M. ROBINSON
JOSEPH GILFILLAN	WILLIAM GOULD
JOHN M. HANCOCK	JAMES M. SKINNER
FRED J. HEANEY	JAMES K. ROBINSON, JR.

